

## **WILSON BACKS PLAN TO HELP KEEP AMERICANS IN THEIR HOMES**

***Bill could keep hundreds of thousands of families from losing their home without spending one federal dollar***

Washington, DC – The Housing crisis is widely believed to be where the country's current economic recession got its start. With that in mind, Congressman Charlie Wilson (OH-6) voted in favor of legislation today that brings fairness to families facing foreclosure. The bill passed the House today and now moves to the Senate.

"It is vitally important that we tackle our housing crisis," Wilson said.

A record 5.4 million homeowners were either behind on payments or in foreclosure at the end of last year, according to an industry survey. In Ohio 143,306 are at risk of foreclosure because the loans are delinquent. The Helping Families Save Their Homes Act will put in place a key first piece of President Obama's comprehensive Homeowner Affordability and Stability Plan. The President announced details of his plan yesterday, including a website, [www.financialstability.gov](http://www.financialstability.gov), with an eligibility quiz for homeowners struggling to make their payments.

"This is not about the government bailing out homeowners who bought homes they knew they couldn't afford," Wilson said. "This legislation is about fairness. This is about giving families who own one home the same rights to keep their home when they face bankruptcy as wealthy investors and speculators have. For years, investors in vacation homes and real estate speculators have been able to go to court as a last resort and have a bankruptcy judge modify the terms of their loans. This bill will make the law evenhanded and keep families in their homes without spending one federal dollar."

The Helping Families Save Their Homes Act gives bankruptcy judges the ability to modify existing mortgages for families who file for Chapter 13 bankruptcy as an incentive to spur lenders into voluntarily modifying loans. It gives lenders the confidence to modify loans by protecting them from some lawsuits. It also spurs mortgage refinancing by fixing the Federal Housing Administration's Hope for Homeowners Program, reducing fees and offering new incentives for lenders.

Chapter 13 bankruptcy filing is a last resort for many families who are unable to make ends meet in the midst of this recession. It is a strict and intrusive process that forces a family to open their finances up to the scrutiny and management of the courts for up to five years.

This legislation is critical to the overall recovery of our economy. Home prices dropped 18 percent in the last quarter of 2008. More than 14 million homeowners owe more on their mortgage than their home is worth, and they cannot refinance. Many are facing foreclosure through no fault of their own. This is an important step in helping America recover.

“I believe Federal Reserve Chairman Ben Bernanke said it best when he said you don’t allow one burning house to burn down the whole neighborhood. You put out the fire at the one house, and save it to save the whole neighborhood. We all stand to lose if we do not stop the steep decline in home prices,” Wilson said.

Each foreclosed home reduces nearby property values by as much as 9 percent. This legislation is part of the President’s plan to help stop 7 to 9 million American families from losing their homes, and their neighbors from losing their home value.